



The Scottish Parliament
Pàrlamaid na h-Alba

WELFARE REFORM COMMITTEE

Esther McVey MP, Minister for
Employment

By email

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Dear Minister for Employment

New Benefit Sanctions Regime

Thank you for your letter dated 24 August 2014 responding to the findings and recommendations in the Committee's Interim Report on the *New Benefit Sanctions Regime: Tough Love or Tough Luck?*

In your letter you refer to sanctions as an essential part of Jobseeker's Allowance. As stated in our report we believe that there is a role for conditionality within the benefits system. However, we do not believe that the sanctioning regime is contributing to JSA claimants finding paid employment and are not aware of evidence for such a link. Rather there seems to be evidence that it is driving them further from the job market. You indicate that few claimants are sanctioned, but there has been a dramatic rise in the rate of sanctioning. The sanctioning rate in Scotland has doubled from around 2% in 2006 to 4.6% in December 2013. It also increased very rapidly through 2013 from 3% to an average of 5.7% in the last three months of 2013.

Our report also covered the mandatory reconsideration process which was introduced in October 2013. When our report was published in June 2014 we highlighted that data for mandatory reconsideration had not yet been published. The most recent statistics published in August 2014 for the period January – March 2014 still do not include this data. This means at present that statistics on the sanction rate are not accurate, and trends in sanction rates cannot be identified, as the outcomes from the mandatory reconsideration process are unknown. This is not transparent and we urge the UK Government to publish these statistics as quickly as possible. It would be much appreciated if you could confirm when this data will be published.

With regard to hardship payments the Committee believes that there is a disparity between the view held by the Department of Work and Pensions and that of claimants and organisations that support claimants. We believe that a weakness in the current system is a failure to make those who are sanctioned aware of the availability of hardship payments, resulting in few claimants receiving payments.

The Committee raised this issue with Neil Couling, then Work Services Director, Department for Work and Pensions when he gave evidence to the Committee in April. We asked Mr Couling for information on the proportion of individuals who received a sanction that went on to claim a hardship payment. Following his evidence session Mr Couling wrote to the Committee on 9 June and explained that he was unable to provide this information “without incurring a disproportionate cost”.

The Committee is very disappointed that this evidence cannot be provided. We believe it is vital that the evidence on the level of hardship payments is provided so that the UK Government can establish whether the availability of hardship payments is being effectively communicated by DWP staff to claimants. In the absence of this information it is difficult to assert that hardship payments are playing any significant role in alleviating hardship.

In your letter you highlight the publication of the Oakley Report. It was disappointing to note that the date chosen for publication of the report was the date the House of Commons rose for its summers recess. With regard to the 17 recommendations made in the Oakley Report, we welcome these. As you will be aware, several of Oakley’s findings reflect the issues raised in our own report.

As you will probably also be aware, Dr David Webster, who gave evidence to the Committee, has raised a number of concerns regarding your response to the Oakley Report. In his recent report *JSA Sanctions; a guide to the Oakley report and the Government’s response* he states—

“The government says it has accepted all of Oakley’s recommendations. This is not the case. Of the 17 recommendations, it could only claim to have fully accepted seven, and for two of these no timescale has been fixed.”

Dr David Webster goes on to call for a wider independent inquiry into sanctions—

“The analysis in this guide together with a growing volume of other evidence and analysis, shows that the Oakley report has not removed the urgent need for a comprehensive independent inquiry into the UK sanctions system.”

I note that Oakley also acknowledges the wider concerns regarding improving communication and processes to support claimants’ understanding and suggests that the Government consider how these issues should be tackled. He suggests that the reforms he proposes “are unlikely to prove to be a silver bullet” and that the review “should not be seen as the final word on this subject.”

The Committee supports Dr Webster’s view and his concluding point that there is a need for continuous review—

“More generally, and as with all social security policy, potential reforms will only ever be as good as the evidence that informs them. This makes it vital that the Department continues to invest both in measuring the extent of claimant understanding through qualitative and quantitative research, and in undertaking and fully evaluating pilots of new approaches.”

It would be much appreciated if you could respond to the points Dr Webster raises including the call for a comprehensive wider independent review of sanctions.

We believe it is vital that the current weaknesses in the benefit sanctions regime and in its application are addressed. As the Committee stated in its report, sanctions are disproportionately affecting some of the most vulnerable groups of claimants. In particular, the disabled, single parents and young people (including those who have recently left care). The CAS report *Sanctioned: what benefit?* which reiterated many of our findings, highlighted that many people hit by benefit sanctions are forced into poverty and ill health, often having to rely on food banks.

It is disappointing that to date you and other Department for Work and Pensions Ministers have declined the invitation to provide formal public evidence to the Committee. The Committee wishes to reissue its invitation to you to appear formally before it.

Yours sincerely,

A handwritten signature in black ink, reading "Michael McMahon". The signature is written in a cursive, flowing style.

MICHAEL MCMAHON MSP, CONVENER